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China, Peoples Republic of

FAIRS Product Specific

Implementation Measures of 2004 TRQ Allocation for Grains and Cotton

2003

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Report Highlights:

This is an UNOFFICIAL translation of the Implementation Measures of 2004 TRQ Allocation for Grains and Cotton issued by the State Development and Reform Commission on September 30, 2003. Exporters should carefully discuss regulations and their application with Chinese importers to ensure their interpretation of the regulation is accurate.

Includes PSD Changes: No
Includes Trade Matrix: No
Unscheduled Report
Beijing [CH]
[CH]

This report was prepared by the Office of Agricultural Affairs of the USDA/Foreign Agricultural Service in Beijing, People's Republic of China. While every possible care was taken in the preparation of this report, information provided may not be completely accurate either because policies have changed since its preparation, or because clear and consistent information about these policies was not available. It is highly recommended that U.S. exporters verify the full set of import requirements with their foreign customers, who are normally best equipped to research such matters with local authorities, before any goods are shipped. FINAL IMPORT APPROVAL OF ANY PRODUCT IS SUBJECT TO THE IMPORTING COUNTRY'S RULES AND REGULATIONS AS INTERPRETED BY BORDER OFFICIALS AT THE TIME OF PRODUCT ENTRY.

Summary

The following is an UNOFFICIAL translation of the Implementation Measures of 2004 Tariff Rate Quota (TRQ) Allocation for Imported Grains and Cotton as issued by the State Development and Reform Commission on September 30, 2003. Under WTO obligation, China should publish TRQ allocation details for major imported agricultural products one month ahead of the application period, which is from October 15 to October 30 of each year. The document also contains one appendix, namely application form of Agricultural Product Import TRQ Certificate.

Implementation Measures of 2004 TRQ allocation for Imported Grains and Cotton

In accordance with the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" (Decree NO.4), jointly issued by the Ministry of Commerce and the State Development and Reform Commission (hereinafter referred to as SDRC), the 2004 TRQ amount, application requirements and allocation principles for imported grains and cotton are announced as follows:

Section One

The 2004 TRQ amounts for imported grains and cotton shall be: wheat 9.636 million metric tons with 90% designated for state trading firms; corn 7.2 million metric tons with 60% designated for state trading firms; rice 5.32 million metric tons (long grain [Indica rice] 2.66 million metric tons; medium-short grain or other rice 2.66 million metric tons) with 50% designated for state trading firms; and cotton 894,000 metric tons with 33% designated for state trading firms.

Section Two

Enterprises engaged in imports of aforementioned agricultural products through general trade, barter trade, border small-scale trade, aid and charities should apply for import TRQs and proceed through customs clearance with an Agricultural Product Import TRQ Certificate. Products entering bonded warehouses, bonded areas or export processing zones shall be exempt from applying for an Agricultural Product Import TRQ Certificate.

Section Three

Fundamental requirements for applicants of agricultural product import TRQs shall include the following: Applicants shall be registered with the State Industry and Commerce Management Authorities (provide copy of corporate business license) before October 1, 2003; Applicants shall have a good financial status and tax payment record (provide relevant data for 2002 and 2003); Applicants shall have no violation record with the Customs, Industry and Commerce, Tax Bureau or Quarantine Authorities in 2001-2003; Applicants should have passed the 2002 enterprise

inspection; Applicants shall have no record of violating the "Interim Rules and Regulations for Agricultural Imports Tariff Rate Quota" issued by the former State Development and Planning Commission.

Under the aforementioned conditions, applicants for import TRQs shall conform to one of the following categories:

(I) Wheat

1. State-owned enterprises;
2. Central enterprises with state reserve functions
3. Enterprises with import records in 2003
4. Enterprises with daily wheat processing capacity of over 400 tons;
5. Enterprises without import records in 2003 but engaged in processing trade that use wheat as a raw material, have import/export rights and hold a certificate of processing trade capacity issued by local trade authorities

(II) Corn

1. State-owned enterprises;
2. Central enterprises with state reserve functions
3. Enterprises with import records in 2003
4. Enterprises processing compound feed using corn as a raw material and a need of over 50 thousand metric tons of corn a year;
5. Other producing enterprises using corn as a raw material and a need of over 100 thousand metric tons of corn a year;
6. Enterprises without import records in 2003 but engaged in processing trade that use corn as a raw material, have import/export rights and hold a certificate of processing trade capacity issued by local trade authorities

(III) Paddy Rice and Milled Rice (Separate application is needed for Indica rice and other rice)

1. State-owned enterprises;
2. Central enterprises with state reserve functions;
3. Enterprises with import records in 2003;
4. Enterprises qualified for handling wholesale and retail grains with an annual sales value greater than RMB 100 million;
5. Enterprises with annual import and export value over USD 25 million;
6. Enterprises without import records in 2003 but engaged in processing trade that use paddy rice and milled rice wheat as raw materials, have import/export rights and hold a certificate of processing trade capacity issued by local trade authorities.

(VI.) Cotton

1. State-owned enterprises;
2. Enterprises with import records in 2003
3. Cotton mill enterprises equipped with more than 50,000 spindles.

Section Four

The aforementioned agricultural product import TRQs are allocated on the basis of application quantities, historical records, producing capacity, and other relevant industry standards.

1. When import TRQ amount can satisfy applicants' total requested quantities, the TRQs will be allocated according to an applicant's requested quantities.
2. When import TRQ amount cannot satisfy applicants' total requested quantities, priority shall be given to those who have an actual history of imports. Applicants without an actual history of imports will be allocated proportionally, based on their processing capacity and business volume. In case requested quantities are lower than the proportionally allocated quantities, the requested quantities will apply.

Section Five

The application period for 2004 TRQ for imported grains and cotton shall be October 15 to 31, 2003. Import TRQ applicants may obtain an application form (see appendix) from SDRC authorized agencies or download a copy from the SDRC web site (<http://www.sdpc.gov.cn>) and fill out based on facts.

Section Six

SDRC authorized agencies are responsible for handling enterprise applications within their jurisdiction and submitting the eligible applications to SDRC, and copy to the Ministry of Commerce, before 30 November 2003.

Section Seven

SDRC will allocate Agricultural Product Import TRQ Certificates, through authorized agencies, to the end-users before January 1, 2004.

Appendix:

Application Form of Agricultural Product Import TRQ

Appendix:

Application Form of Agricultural Product Import TRQ

Stamp of Applicant Organization:

Signature of Applicant's Legal Representative:

Name of Enterprise: import				
Import Commodity:	<input type="checkbox"/> With 2003 general trade import record	<input type="checkbox"/> With 2003 processing trade import record	<input type="checkbox"/> Without 2003 import record	
General trade	Application amount:		Processing trade	
	Declaration Port 1). 2).		Application amount:	
Registered Address:				
Registered capital:		Registration NO.	Telephone:	
Business category:			Customs Code:	
Registered Capital:	Industry & Commerce Registration Number:		State Tax Registration Number:	
Nature of Enterprise:	<input type="checkbox"/> State-own <input type="checkbox"/> Share-holding <input type="checkbox"/> Private <input type="checkbox"/> Foreign Invested			
Type of Enterprise	<input type="checkbox"/> Manufacturing enterprise <input type="checkbox"/> Trading enterprise			
The following is to be completed by the Manufacturing Enterprises:				
2003 Products and Production Capability	Name of Product:		Name of imported ag product Needed:	
	Daily Production (Metric Tons):		Daily Demand (Metric Tons):	
	Annual Production (Metric Tons):		Annual Demand (Metric Tons):	
	Annual Sales Value (10,000 RMB):			
The following is to be completed by processing trade enterprises with actual import record:				
Processing trade TRQs in 2002	Allocated TRQs:		Processing trade TRQs in 2003	
	Actual imports:			Allocated TRQs:
General trade TRQs in 2002	Allocated amount (MT):		General trade in 2003	
	Actual imported amount (MT):			Allocated amount (MT):
	Returned amount (MT)			Actual imported amount (MT):
The following is to be completed by enterprises with grain wholesale/retail qualifications:				
2002 grain trade sales value (10,000 RMB):		2002 grain import/export value (10,000 USD):		
2003 completed grain trade sales value (10,000 RMB):		2003 completed grain import/export value (10,000 USD)		
Whether agree to provide TRQ allocation information to international/domestic inquiries: <input type="checkbox"/> yes <input type="checkbox"/> no				
Verification Comments completed by Authorized Agency:				

Notes:

1. "2003 product and production capacity" refers to products produced from requested import agricultural products and production capacity. 2. "Daily and Annual Production" and "Daily and Annual Demand" refer to enterprise daily, annual production in 2003, and daily, annual demand for imported agricultural products. 3. Cotton enterprises should fill out the quantity of spindle facilities in "Daily Demand" column.